



## NEWS RELEASE

### FOR IMMEDIATE RELEASE

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### Mayor Campbell Announces Rebirth of Lower Euclid Avenue

**CLEVELAND, June 26, 2003**—Mayor Jane L. Campbell, joined by local developers, civic and community leaders, and representatives from the House of Blues, announced the “rebirth” of Lower Euclid Avenue from Public Square to East Ninth Street.

On June 9, 2003, Cleveland City Council granted the Administration authority to issue \$9.2 million in tax increment financing, economic development revenue bonds for the Lower Euclid Avenue project. The financing enabled local developer MRN Ltd. to secure a lease agreement with the House of Blues, which will open its next national venue in Cleveland.

“We are excited that the House of Blues has agreed to open its ninth location in downtown Cleveland,” said Mayor Campbell. “Thanks to the efforts of MRN Ltd., we now have a national entertainment venue choosing Cleveland for expansion.”

The Phase I development of Lower Euclid Avenue will cost approximately \$37.1 million. The financing includes the \$9.2 million of tax increment financing bonds, \$2.6 million of historic tax credit equity, and more than \$25 million of owner equity and private financing.

The House of Blues has signed a letter of intent with MRN Ltd. and will occupy approximately 30,000 square feet of retail space at East Fourth Street and Euclid Avenue. MRN is currently seeking a second anchor retail tenant to occupy an additional 17,000 – 20,000 square feet. These two new projects will be in addition to the already successful Pickwick & Frolic restaurant and entertainment venue.

Lower Euclid Avenue—and the Gateway District as a whole—has over the last few years developed:

- More than 120 units of housing
- Over 500 new hotel rooms
- 800 parking spaces and
- New and renovated commercial space

"The House of Blues will be Lower Euclid Avenue's anchor tenant," Mayor Campbell stated. "However, the development's success rests on total rejuvenation of our most prized commercial corridor. Over the next few years, we will witness significant development along Euclid Avenue from Public Square to East Ninth Street."

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### **Rebirth of Lower Euclid Avenue / Add One**

Anchored by Pickwick & Frolic and the House of Blues on the West and National City Bank and the Holiday Inn Express on the East, the Lower Euclid Avenue Corridor will benefit from nearly \$100 million in overall economic and community development improvement projects. Nearly every property along this corridor will be renovated and revitalized. These include:

- W.T. Grant Block
- Woolworth Site
- East Fourth Street from Euclid to Prospect avenues
- Colonial Arcade
- Dollar Bank Building
- 668 Atrium Building
- National City Center/Holiday Inn Express
- 515 Euclid Avenue Building
- The Arcade Hyatt Regency Hotel

Announced earlier this month, National City Bank, a long-time tenant at the corner of East Ninth Street and Euclid Avenue, recently reached agreement to purchase the 35-story facility for approximately \$80 million, securing its place in Cleveland's future.

A new parking structure will be constructed at the corner of East Sixth Street and Euclid Avenue with first floor retail and sufficient foundation infrastructure to support 15 stories of housing in the future.

Commercial property values in the central business district will stabilize and begin to increase in value, ending years of decreased valuation. The development of Phase I is anticipated to generate more than \$13 million in new property tax revenues for the Cleveland Municipal School District.

"I challenged my staff and the developers to create a financing package that would close the gap necessary to insure completion of the project," stated Mayor Campbell, "but closing that gap had to be done without impacting revenues to our school system. Federal and state assistance is being reduced at every level. We had to make sure we kept our schools whole."

The project will create approximately 1,500 construction and permanent jobs. Estimated construction employment indicates 770 new jobs between 2003 and 2005. Estimated permanent business employment is projected at 980 jobs, including 250 from the House of Blues project, 150 from the to-be-secured anchor retail tenant, and 120 at the retail and parking facility to be constructed at East Sixth Street and Euclid Avenue.

Based on current employment statistics from existing business located on Lower Euclid Avenue it is anticipated that 50 percent of new employment opportunities will be retained by Cleveland residents and 40 percent of the positions will be held by females and/or minorities.